

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of the Assistant Secretary for Community Planning and Development

[Docket No. FR-3937-N-01]

## Notice of Funding Availability for FY 1995 Historically Black Colleges and Universities Program

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice of funding availability (NOFA) for fiscal year (FY) 1995.

**SUMMARY:** This NOFA announces the availability up to \$2.5 million of Fiscal Year 1995 funds for ten Historically Black Colleges and Universities (HBCUs) to form Community Development Corporations (CDCs) to undertake eligible activities. In accordance with a memorandum of understanding establishing a public-private partnership between the United States Department of Housing and Urban Development (HUD) and the Structured Employment Economic Development Corporation (Seedco) of New York, New York, Seedco will also provide technical assistance and up to \$1 million in low-interest gap loan funding to be made available to the CDCs formed under this program.

Community-based organizations provide the spark that make communities a viable place to live. HUD's Office of the Assistant Secretary for Community Planning and Development has worked to create partnerships across the nation with community-based organizations rebuilding their neighborhoods brick by brick. Efforts to support CDCs created by Historically Black Colleges and Universities are part of the community development partnership for neighborhood revitalization.

In the body of this document is information concerning the following:

- a. The purpose of the NOFA and information regarding available amounts, objectives, eligibility and authority; and
- b. Application processing, including how, where and when to apply and how selections will be made.

**DATES:** No applications will be accepted after 4:30 PM on November 28, 1995. This application deadline is firm as to date and hour. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants

should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems. Applications may not be submitted by facsimile (FAX).

**ADDRESSES:** *For An Application Kit Contact:* Processing and Control Branch, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW., Room 7255, Washington, DC 20410-3500. ATTN: HBCU CDC Program. Requests must be in writing and may be sent to this address or may be made by facsimile machine to the following number: (202) 708-3363. The TDD number for the hearing impaired is 1-800-877-8339. (This is a toll-free number.) When requesting an application kit, please refer to document FR-3937 and provide your name, address (including zip code), and telephone number (including area code). Requests for HBCU application kits should be made immediately. HUD will distribute application kits as soon as they become available.

**Application Submission:** An original and three copies of the completed application must be submitted to the following address: Processing and Control Branch, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW., Room 7255, Washington, DC 20410-3500. ATTN: HBCU CDC Program.

**FOR FURTHER INFORMATION CONTACT:** Yvette Aidara, Office of Technical Assistance, Department of Housing and Urban Development, 451 7th Street, SW., Room 7216, Washington, DC 20410. Telephone Number: (202) 401-7912. This is not a toll free number. Access to this information is available to the hearing impaired through the Federal Information Relay Service at 1-800-877-8339. This is a toll-free number.

### SUPPLEMENTARY INFORMATION:

#### Paperwork Reduction Act Statement

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520). The control number for information described in this document is 2506-0122.

### I. Purpose and Substantive Description

#### (a) Purpose

The purpose of this NOFA is to assist HBCUs in forming Community Development Corporations (CDC) that will expand the role and effectiveness of HBCUs in addressing community development needs, including neighborhood improvement, housing, economic development and other revitalization efforts, in their surrounding or adjacent communities. Forming a CDC will expand the community development effectiveness of many HBCU's that may be unable to undertake certain activities directly because of requirements in their authorizing charters or State law. A number of HBCUs have already established CDCs or have working relationships with existing CDCs, and this NOFA is intended to promote the establishment of CDCs where HBCU/CDC relationships do not currently exist.

For the purpose of this competition, a CDC is defined as a nonprofit association or corporation which: (1) Is organized under State or local law to engage in community development activities within an identified geographic area of operation adjacent to or in close proximity to the recipient HBCU, or in the case of an urban county, within the jurisdiction of the county; (2) maintains a significant portion of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; (3) has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of low- and moderate-income residents of the area; and (4) has received or applied for a tax exemption ruling from the Internal Revenue Service under section 501(c) of the Internal Revenue Code of 1986. CDCs formed under this program must indicate, through Articles of Incorporation, a commitment to community and economic development activities that use the facilities of the HBCU (physical as well as faculty, administrators and students) and the target locality (residents, businesses and the local government).

The purpose of this NOFA is further supported through a memorandum of understanding establishing a public-private partnership between the United States Department of Housing and Urban Development (HUD) and the Structured Employment Economic Development Corporation (Seedco). This partnership seeks to combine the expertise and resources of HUD's HBCU program and Seedco's Community Development Partnership program to maximize the impact of their assistance to HBCUs seeking to revitalize their surrounding communities. HUD, through its HBCU program, seeks to increase the effectiveness of HBCUs in addressing community development and economic needs. Since 1990, Seedco, a national nonprofit community development support organization, has provided financial and technical assistance for planning and operation of nonprofit, neighborhood-based CDCs. Seedco's participation in this partnership will extend and expand its work with HBCUs.

Seedco intends to provide technical assistance to grant recipients selected under this NOFA to assist them in forming and operating CDCs and carrying out the community development objectives of the CDCs. Seedco will not seek contracts funded from grants made under this NOFA to provide any additional technical assistance or other services to the grantees or to the CDCs formed by them. However, grant recipients are not precluded from using grant funds to pay reasonable and customary registration fees in connection with Seedco-sponsored conferences or workshops. HUD and Seedco intend to hold such meetings as may be necessary to coordinate activities of the HBCU/CDC partnership.

Once recipient HBCU's have established CDCs and implemented a program of eligible activities using the HUD start-up funding of up to \$250,000, it is intended that the new CDCs will be eligible for low-interest gap loan funding from Seedco to finance additional eligible activities of the CDC. Seedco intends to set aside up to \$1 million in low-interest gap loan funding to be made available to the CDCs formed under this program. Seedco also intends to provide technical assistance to the selected grantees and the CDCs they've helped to form as they implement the individual projects.

#### *(b) Authority*

This program is authorized under section 107(b)(3) of the Housing and Community Development Act of 1974 (the 1974 Act), which was added by

section 105 of the HUD Reform Act of 1989. The program is governed by regulations contained in 24 CFR 570.201 through 207, 24 CFR 570.400, 570.404 and 24 CFR part 570, subparts A, C, J, K and O.

#### *(c) Allocation Amounts and Form of Award*

The Departments of Veterans Affairs and Housing and Urban Development, and the Independent Agencies Appropriations Act 1995 (approved September 28, 1994, Pub. L. 103-327), (95 App. Act) appropriated \$44,000,000 for special purpose grants pursuant to section 107 of the Housing and Community Development Act of 1974. This notice announces HUD's intention to award up to \$2.5 million from these FY 95 funds to fund HBCUs to create CDCs. The maximum amount awarded to any applicant will be \$250,000. The awards will be made in the form of grants.

#### *(d) Objectives*

The objectives of this program are:

(1) To help HBCUs, through the formulation of CDCs, expand their role and effectiveness in addressing community development needs in their localities, including neighborhood revitalization, housing, and economic development, consistent with the purposes of Title I of the Housing and Community Development Act of 1974;

(2) To help HBCUs, through the formulation of CDCs, address the needs of their locality(ies) while furthering the following HUD values:

- \* A Commitment to Community;
- \* A Commitment to Support Families;
- \* A Commitment to Economic Lift;
- \* A Commitment to Reciprocity and to Balancing Individual Rights and Responsibilities; and
- \* A Commitment to Reducing the Separations by Race and Income in American Life.

(3) To encourage and ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low-income persons, particularly those who are recipients of government assistance for housing consistent with Section 3 of the Housing and Urban Development Act of 1968.

#### *(e) Eligibility*

(1) Eligible Applicants. Only HBCUs as determined by the Department of Education in 34 CFR 608.2 in accordance with that Department's responsibilities under Executive Order

12677, dated April 28, 1989, are eligible to submit applications. Eligibility is further limited to such HBCUs that have not already established CDCs or that do not already have working relationships with CDCs, since the purpose of this NOFA is to promote HBCU/CDC efforts where they do not currently exist.

The Department issued a NOFA on April 11, 1995 (60 FR 18456) making up to \$4 million of FY 1995 funding available for HBCU activities to expand their role and effectiveness in addressing community development in their localities. Forming a CDC is also an eligible activity under the April 11, 1995 NOFA; however, if an HBCU is selected to receive funding under the April NOFA to form a CDC, that HBCU will not be eligible for funding under this NOFA also. In the event that an HBCU applies for funding to form a CDC under both NOFAs, and scores high enough to be selected under both, it will be funded under the April NOFA only, and HUD will select the next highest ranked applicant for funding under this NOFA.

(2) Eligible Activities. Each application under this competition must propose two activities: first, the formation of a CDC, and second, an eligible activity that will be conducted by the CDC that is formed. The eligible CDC activities that may be funded under this NOFA are those activities eligible for Community Development Block Grant (CDBG) funding. They are listed in 24 CFR 570.201 through 570.206. In addition to basic eligible activities, CDCs may undertake special economic development activities (as described at 24 CFR 570.203 (a) through (c)) and special activities undertaken by community-based development organizations (as described at 570.204). These activities have additional eligibility requirements.

(i) Performance standards. Activities selected for funding under this NOFA will be subject to the following performance standards:

(A) The CDC must be formed, staffed, and operational within one year of the grant award; and

(B) The CDC must begin to implement the activities described in the HBCU's statement of work within two years of the grant award.

HUD reserves the right to terminate funding for the grant award if the above prescribed performance standards are not met within the listed time frame.

(ii) Environmental Review. If the applicant proposes activities involving rehabilitation or construction of structures, the proposed project must pass an environmental review in accordance with 24 CFR part 50. If the

requirements of part 50 are not met, HUD reserves the right to terminate all or portions of the award. The grantee is not authorized to proceed with any activity requiring such approval until written approval is received from the HUD environmental office with jurisdiction over the project area certifying that the project has been approved.

(iii) In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3601), HUD will not approve applications for any activities that would be located or carried out in the Coastal Barrier Resources System.

*(f) Selection Criteria/Negotiations*

(1) General. An applicant must demonstrate that it meets the objectives of this HBCU program by scoring at least 12 of the possible 20 points on rating factor 1 (addressing the objectives) in order to qualify for funding. Applicants must also receive a minimum score of 70 out of the total of 108 points to be considered eligible for funding. Activities which are not eligible for funding under this program (see 24 CFR 570.207) will not be funded. HUD reserves the right to fund all or portions of the proposed activities identified in each application, based on eligibility of the proposed activities. However, if more than 50 percent of the amount requested in the application is for ineligible activities, the application will not be funded.

Applications for funding under this Notice will be evaluated competitively and awarded points based on the factors identified below. The Department will rank the applications in descending order according to score. Applications meeting the minimum threshold requirements will be funded in rank order, until all available funds have been obligated, or until there are no remaining acceptable applications.

(2) Negotiations. After all applications have been rated and ranked and a determination of successful applicants has been made, HUD requires that all successful applicants participate in negotiations to determine the specific terms of the Statement of Work and grant budget. In cases where HUD cannot successfully conclude negotiations, awards will not be made. In such instances, HUD may elect to offer an award (in an amount not to exceed the amount of remaining funds available for the competition) to the next highest ranking remaining applicant and proceed with negotiations as described above.

*(g) Rating Factors*

The factors set forth below will be used by the Department to rate and rank applications. Each application must contain sufficient information to be reviewed for its merits. The score for each factor will be based on the qualitative and quantitative aspects demonstrated in the application. The factors, and the maximum number of points for each factor (out of a total of 108 points, which includes up to 8 bonus points), are as follows:

(1) Addressing the Objectives. (maximum points: 20)

(i) The extent to which the applicant addresses the objectives of this program is examined by this factor. Applicants must address objective (A), below, by successfully demonstrating how the proposed activities to be carried out by the CDC will expand the role of the HBCU in meeting local community economic development and/or housing needs while furthering HUD's priorities identified in objective (B), below. The objectives of this program are:

(A) To help HBCUs form CDCs that will expand their role and effectiveness in addressing community development needs in their localities, including neighborhood revitalization, housing, and economic development, consistent with the purposes of the 1974 Act; and

(B) To help HBCUs, through the formulation of CDCs, to address the needs of their localities in meeting the following HUD values:

- \* A Commitment to Community;
- \* A Commitment to Support Families;
- \* A Commitment to Economic Lift;
- \* A Commitment to Reciprocity and to Balancing Individual Rights and Responsibilities; and
- \* A Commitment to Reducing the Separations by Race and Income in American Life.

(ii) In rating this factor, the Department will consider:

(A) The extent to which the applicant demonstrates that the CDC's proposed activities and program will expand its role and effectiveness in addressing community development needs in its locality(ies), in accordance with the objective specified in section I.(g)(1)(i)(A) of this NOFA, above; and

(B) The extent to which the applicant demonstrates that the CDC's proposed activities will further one or more of the HUD values specified in section I.(g)(1)(i)(B) of this NOFA, above.

(C) The extent to which the applicant demonstrates that the proposed CDC will provide to the greatest extent feasible, and consistent with existing Federal, State, and local laws and

regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(2) Impact of the Project. (Maximum points: 25)

The extent to which the applicant demonstrates that the proposed CDC's activities would have a substantial impact on the community and economic development of the locality. In rating this factor the Department will consider:

(i) The extent to which the applicant demonstrates how the proposed CDC's activities will address high priority needs identified in each locality's HUD-approved Consolidated Plan in accordance with 24 CFR part 91, especially in the target HBCU neighborhood.

(ii) The extent to which the applicant demonstrates how the proposed CDC's activities will make a substantial contribution to achieve local community development objectives.

(iii) The extent to which the applicant demonstrates that its proposed CDC is willing to forge a common identity and shared goals and objectives between the HBCU and its neighborhood leadership for revitalization of the community.

(3) Special Needs of the Applicant and Locality. (Maximum points: 10)

In rating this factor, the Department will consider:

(i) The extent to which the applicant demonstrates that the CDC formed will create or enhance community-based capacity to successfully carry out community and economic development projects and to attract new government and private financial support for development of the local community.

(ii) The extent to which the CDC will serve to develop local resident leadership capacity and will provide opportunities for HBCU faculty and students to engage in community service and community development activities.

(iii) The extent to which local community support is demonstrated through letters of commitment, record of local accomplishment, and capacity to form a partnership with the applicant to address community outreach, organizing, fundraising and operational aspects of the CDC.

(4) Technical and Financial Feasibility. (Maximum points: 25)

The extent to which the applicant demonstrates the technical and financial feasibility for achieving the objectives, including local support for the activities proposed to be carried out in the locality and any matching funds proposed to be provided from sources other than the applicant is examined by

this factor. In rating this factor, the Department will consider:

(i) The extent to which the applicant demonstrates the technical feasibility for achieving the objectives within the program period proposed as evidenced by a management plan which:

(A) Clearly delineates staff responsibilities and accountability for all work required;

(B) Presents a work plan with a clear and feasible schedule for conducting all project tasks; and

(C) Presents a reasonable and adequate budget as reflected in the budget-by-task and supporting rationale and justification for the budget.

(ii) The extent to which the applicant demonstrates the institutional stability and health in financial and organizational terms sufficient to allow for a sustained focus on community development.

(iii) The extent to which the applicant's Chief Executive Officer demonstrates that the HBCU is committed to forming a CDC and will strongly and vigorously support all aspects of the program.

(5) Capacity. (maximum points: 20)

The extent to which the applicant demonstrates the capacity to carry out satisfactorily the proposed activities in a timely fashion, including satisfactory performance in carrying out any prior HUD-assisted projects or activities, is examined by this factor. In rating this factor, the Department will consider:

(i) The extent to which the applicant demonstrates the recent and relevant work experience of the staff proposed to undertake the activities described in the Statement of Work.

(ii) The extent to which the applicant can demonstrate that its past and current projects funded by HUD and/or other Federal or private sector sources are or have been completed on schedule and have met or are meeting goals established for addressing local needs.

(iii) The extent to which the applicant demonstrates that the proposed activities will be carried out in a satisfactory and timely fashion, as evidenced by recent efforts to initiate and/or manage projects of the same or similar type, size, and dollar amount as those proposed in the application.

(h) Bonus Points. Applicants that propose forming a CDC and implementing activities in a Federally-designated Empowerment Zone, Urban Supplemental Empowerment Zone, Enterprise Community, or Urban Enhanced Enterprise Community will receive a maximum of 8 bonus points. Bonus points will be allocated as follows: three points for placing the offices of the CDC in one of the above-

designated zones and five points for carrying out activities within such zones. To receive these bonus points, applicants must submit with the application package a certification from the authorized representative of the unit of local government that: (1) The CDC will place its offices within the zone and/or (2) the CDC's proposed activities will be carried out within the zone.

(i) General Program Requirements.

(1) Statement of Work. After selection for funding but prior to award, each selected applicant must ensure that any deletions, additions or enhancements to the Statement of Work submitted with the application are incorporated into the approved grant, including how the revised Statement of Work will be accomplished. Following a task-by-task format, the approved Statement of Work must:

(i) Delineate the tasks and sub-tasks involved in each activity funded under this NOFA.

(ii) Indicate the sequence in which the tasks are to be performed, noting areas of work which must be performed simultaneously.

(iii) Identify specific numbers of quantifiable end products and program improvements the selected applicant aims to deliver, through the newly established CDC, by the end of the grant period, e.g., number of persons to be assisted; number of units to be provided, rehabilitated, or built; number of classes to be provided; commercial enterprises to be established, etc.

(2) Certifications and Assurances. After selection for funding but prior to award, each selected applicant must submit signed copies of the assurance form covering the following Assurances and Certifications: Drug-Free Workplace; Certification Regarding Lobbying; Applicant/recipient disclosure Update Report; Certification and disclosure Regarding Payments to Influence Certain Federal Transactions (where applicable). This form will be provided in the application kit which will be available following publication of this NOFA.

(3) Project Management and Staff Allocation Plan. After selection for funding but prior to award, each selected applicant must submit a Project Management and Staff Allocation Plan for carrying out the activities proposed in the Statement of Work. The Project Management Plan and Staff Allocation submission must cover the proposed period of performance.

(4) Financial management and Audit Information. After selection for funding but prior to award, each selected applicant must submit a certification from an Independent Public Accountant

or the cognizant government auditor, stating that the financial management system employed by the applicant meets prescribed standards for fund control and accountability required by OMB Circular A-110 for institutions of Higher Education and other Non-Profit Institutions. The information should include the name and telephone number of the independent auditor, cognizant Federal auditor, or other audit agency as applicable.

(5) Local approval. Since eligible activities must take place in a locality, after selection but prior to award, each selected applicant must submit a letter from the chief elected official of the locality (or a resolution by the legislative body of the locality) certifying that the activity(ies) to be undertaken are not inconsistent with the local community development or consolidated plan.

(6) Reasonable time and cost for establishing the CDC. HUD reserves the right to limit the amount of grant funds awarded under this NOFA that may be used to establish the CDC. Generally, applicants may be limited to not more than 10% of the award amount for activities associated with establishing the CDC. In addition, the time frame for establishing the CDC should not exceed twelve months from the program start date. HUD may suspend or terminate the grant if the grantee fails to establish the proposed CDC at a reasonable cost and within a reasonable time frame.

## II. Application Submission Requirements

Complete application submission requirements are contained in the FY 1995 Historically Black Colleges and Universities Program application package. The application package will request information in sufficient detail for HUD to determine whether the proposed activities are feasible and meet all the requirements of applicable statutes and regulations.

## III. Corrections to Deficient Applications

Immediately after the deadline for submission of applications, applications will be screened to determine whether all items were submitted. If the applicant fails to submit certain technical items, or the application contains a technical mistake, such as an incorrect signatory, the Department shall notify the applicant in writing that the applicant has 14 calendar days from the date of the written notification to submit the missing item, or correct the technical mistake. If the applicant does not submit the missing item within the

required time period, the application will be ineligible for further processing.

The 14-day cure period pertains only to non-substantive technical deficiencies or errors. Technical deficiencies relate to items that:

1. Are not necessary for HUD review under selection criteria/ranking factors; and
2. Would not improve the substantive quality of the proposal.

#### IV. Other Matters

##### (a) *Environmental Impact*

A Finding of No Significant Impact with respect to the environment has been made in accordance with the Department's regulations at 24 CFR part 50 which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays at the Office of the Rules Docket Clerk, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410.

##### (b) *Federalism Impact*

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies and procedures contained in this NOFA will not have substantial direct effects on States or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government. Specifically, the NOFA solicits HBCU applicants to expand their role in addressing community development needs in their localities and does not impinge upon the relationships between the Federal government, and State and local governments.

##### (c) *Impact on the Family*

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this document does not have potential for significant impact on family formation, maintenance, and general well-being. This notice solicits HBCUs to apply for funding to address community and economic development needs in their locality. While impact on the family will be indirect, there will be benefits that accrue to families in that better planning of community and economic development needs should result.

##### (d) *Prohibition Against Lobbying Activities*

The use of funds awarded under this NOFA is subject to the disclosure

requirements and prohibitions of section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (The "Byrd Amendment") and the implementing regulations at 24 CFR part 87. These authorities prohibit recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the Executive or Legislative branches of the federal government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no federal funds have been or will be spent on lobbying activities in connection with the assistance.

##### (e) *Documentation and Public Access Requirements; HUD Reform Act, Section 102*

HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its quarterly Federal Register notice of all recipients of HUD assistance awarded on a competitive basis. (See 24 CFR 12.14(a) and 12.16(b), and the notice published in the Federal Register on January 16, 1992 (57 FR 1942), for further information on these requirements.)

##### (f) *Prohibition Against Advance Information on Funding Decisions*

HUD's regulation implementing section 103 of the Department of Housing and Urban Development Reform Act of 1989 was published May 13, 1991 (56 FR 22088) and became effective on June 12, 1991. That regulation, codified as 24 CFR part 4, applies to the funding competition announced today. The requirements of the rule continue to apply until the announcement of the selection of successful applicants. HUD employees involved in the review of applications and in the making of funding decisions are limited by part 4 from providing

advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants with questions should contact the HUD Office of Ethics (202) 708-3815. (This is not a toll-free number.) The Office of Ethics can provide information of a general nature to HUD employees, as well. However, a HUD employee who has specific program questions, such as whether particular subject matter can be discussed with persons outside the Department, should contact his or her Regional or Field Office Counsel, or Headquarters counsel for the program to which the question pertains.

##### (g) *Prohibition Against Lobbying of HUD Personnel*

Section 13 of the Department of Housing and Urban Development Act contains two provisions dealing with efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence the award of assistance or the taking of a management action by the Department and those who are paid to provide the influence. The second restricts the payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance.

Section 13 was implemented by final rule published in the Federal Register on May 17, 1991 (56 FR 22912). If readers are involved in any efforts to influence the Department in these ways, they are urged to read the final rule, particularly the examples contained in Appendix A of the rule.

Authority: Title I, Housing and Community Development Act of 1974 (42 U.S.C. 5301-5320); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d); 24 CFR 570.404.

Dated: September 18, 1995.

Mark C. Gordon,

*General Deputy Assistant Secretary for Community Planning and Development.*

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